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INDIA COUNTRY PROGRAM STRATEGY DOCUMENT

ISSUES

February 28, 1994

The following issues and options for their resolution have been identified from the India Country Program Strategy Document:

Concerning the Strategic Overview/Analysis

1. **Program Impact on Economic Growth.** Can we have an impact on economic growth in India with the proposed program? The proposed program appears to cover four fairly specific activities with no clear linkage at the strategic level. While the document clearly articulates our comparative advantage in each of the four areas (housing, financial markets, agribusiness, and energy), these four areas do not appear to be related to each other, nor do they appear to be heading for the same goal. In addition, there are large amounts of non-SDA resources being spent in this sector with questionable results. Examples:

- The housing finance sector is the only one getting serious resources, e.g. through HIG, and it's more a collection of targets of opportunity than a coherent strategy. They are doing good work here, no real impact is adduced in the measurement framework, and there's no evidence that the Indians would not make it anyway, and or that other countries don't need the EG money more.
- The Agency spent \$48 million dollars of Title III money in India--for which ANE used a lot of chips--in FYs 1992-3. The main policy objective of that program was to help the GOI adopt an exit policy. Now the paper cites the continuing lack of an exit policy as "one of the most perverse expressions of state control". If policy reform fails with a large up-front cash payment, of the sort we can no longer afford, shouldn't we take our growth money elsewhere and let democratic market forces prompt the needed changes?

What are the tradeoffs if one or more of the four activity areas are dropped? How will it affect impact of the program?
(ANE/SEA and ORA)

Options: After more discussion and clarification, the Mission should consider the following:

- a. Break apart the Strategic Objective into its component parts and create multiple, more focused Strategic Objectives in Economic Growth. The Mission may find, for example, that the private capital markets and the municipal finance components fit neatly into one SO. (ANE/SEA)
- b. Drop one or two of the component parts and use the resources to deepen the remaining activities in economic growth. (ANE/SEA)
- c. The Strategic Objective should be rewritten to make it more coherent and emphasize priority areas where plausible association of AID support with results can be demonstrated, and within the tighter resource envelope likely to be available. (ANE/ORA)

2. Agriculture. Given the changes which have been made in economic reforms and the industrial sector, the importance of agriculture to the Indian economy, USAID's historical experience, and the amount of food assistance in the mission's program, shouldn't USAID be doing more in agriculture in India? (Desk)

3. Linkages of Program Outcomes in SO 2. The Program Outcomes in Strategic Objective 2 do not appear to be linked. The linkages among the three P.O.s and their contribution to achieving the S.O. results are not clearly demonstrated, particularly in the Child Survival activities which are diffused in 9 states in India. Why are the Child Survival efforts not more focused on U.P. where they can impact on fertility decline? Where are the linkages with the current pop project (IFPS), and the proposed projects, EXPAND and WIN? (ANE/SEA and Global)

Options: After more discussion and clarification, the Mission should consider the following:

- a. Break apart the Strategic Objective into its component parts and create multiple, more focused Strategic Objectives in Health/Population. (ANE/SEA)
- b. Drop one or two of the component parts and use the resources to deepen the remaining activities in health/population. (ANE/SEA)
- c. Concentrate the majority of the Child Survival resources in the two northern states in which USAID will be working to reduce fertility and focus particularly on the districts which have other family planning and reproductive health activities. (Global)
- d. Strengthen the linkages between the three program outcomes by focusing and concentrating their activities, both geographically

and programmatically, so that they synergistically contribute to the achievement of the strategic objective. (ANE/SEA)

4. Food Security. Why isn't food security included as a program outcome? (BHR/FFP)

5. Scope of AIDS Program. The spread of HIV/AIDS in India is a major concern. While the USAID interventions are focused in Tamil Nadu, is the mission doing sufficient national level policy work on the issue and how are the STDs/HIV prevention issues addressed in the UP program? To what extent does the AIDS intervention have an impact on child survival? (ANE/SEA and Global)

6. Family Planning Performance. How confident is the Mission of the ability of the IFPS project to meet future benchmarks for disbursements given that these benchmarks become progressively more difficult to achieve? It is premature to "replicate" the third-of-a-billion dollar U.P. FP project in Madhya Pradesh when all we've done so far is "initiating" and "laying a firm foundation for project implementation and program impact" in the first project. The theory of managing for results is to put your money where there has been documented impact. (ANE/SEA and Global)

Why should we be undertaking a new activity at all? (PPC)
Options:

a. We are cognizant of the global consequences of continued high fertility in northern India, and the need to diversify and expand USAID fertility reduction initiatives beyond our one state approach. We suggest that the Madhya Pradesh initiative start with small-size, shorter term, localized and NGO-centered intensive service delivery demonstration activities, which can be expanded and replicated based on results. (ANE/SEA)

7. Impact of the Child Survival Program. The impact of the child survival program is unclear, since the mission has not developed performance indicators since the baseline was established, nor were interim targets established between now and the program target date. What has the Mission accomplished in this area since the last strategic review. Are these accomplishments consistent with the India Strategy guidance cable? (ANE/SEA)

What is the timeline for moving the CARE/CRS programs to northern India? (BHR/FFP)

Why is the CRS program placed under this objective when there is only a partial fit? (BHR/FFP)

8. Ambitious results. The reductions in infant mortality and

child mortality are very ambitious results to include at the PO level. Can USAID interventions be tightly tied to a declining IMR in the whole of northern India? (ANE/SEA)

Option: Mission should provide information supporting the existing targets and revise them as necessary.

9. Importance of Reproductive Health. The proposed EXPAND project addresses not only family planning but reproductive health, including STDs and women's empowerment. If these interventions are considered essential for the EXPAND project, why aren't they being added to the U.P. program where the health profile is even worse than in M.P.? (ANE/SEA)

10. Location of our Health Programs. Should we still be focusing our efforts in U.P or should we be focussing elsewhere. (ANE/SEA)

11. Scope of SO 3: This Strategic Objective does not appear to capture what the mission is doing in environment. The Strategic Objective and Program Outcomes are too broad, and exceed the Mission's manageable interest. (ANE/SEA and PPC)

Option: Break up the SO into its component parts. One possible result would be an SO on energy, another on air and water and a TO on germplasm. While repackaging this SO, the Mission might consider linkages to the municipal finance and energy activities in SO 1. The Program Outcomes should then be redefined in the context of the new SOs. (PPC)

The strategy paper suggests three or four environmental problems which are important and which the mission is addressing. However, it is less explicit with regard to the relative merits of different USAID interventions (e.g. policy, capacity building, direct finance and technology transfer). With diminishing resources available and an increasing market-oriented economy taking shape in India, it may be that there could be nearer-term impact from technology transfer than from policy. What are the relative strengths and efficiencies of different USAID interventions in environment? (USAEP)

12. Performance. While the document does cover performance at the project level, it is not clear how the mission is doing toward achievement at the program outcome and strategic objective level. This problem is further exacerbated by the absence of interim targets in the monitoring plan to serve as a basis of comparison with actual performance. (ANE/SEA)

Option: The Mission needs to discuss its performance to give us a better sense of results. This information is going to be a vital part of the upcoming budget submission process, in which

performance is going to form the basis for resource allocation.
(ANE/SEA)

13. People-Level Impact There is a general lack of people-level language in SO1 (Accelerate Broad-Based Economic Growth) and SO 3 (Protect the Environment), and their Program Outcomes and Performance Indicators. (ANE/SEA)

Option: a. Mission should make every effort to show people-level impact throughout its portfolio. One approach would be to conduct gender analysis related to these two SOs to find ways of incorporating people-level and gender concerns at the SO, program outcome, and performance indicator levels. (ANE/SEA)

Concerning the Action Plan

General:

14. Resource Mix. Are the staff and resource mix consistent with capability required to achieve results and impact for program outcomes? For strategic objectives? (ANE/SEA)

15. G Bureau. Are all Mission/G Bureau requests on the table? (ANE/SEA)

16. Category C Projects. Are there projects that are not attaining the expected performance results (Category C)? If so, what are the Mission's plans for these projects? (ANE/SEA)

17. WIN NAD.

Where does the WIN project properly fit into the portfolio? The WIN activity, while conceived at one or another moment to complement work in family planning, reproductive health, and child survival, appears to aim higher, toward political empowerment and a broader effort to affect policy and participation as these relate to gender. Is there a Target of Opportunity that needs to be made an explicit part of the strategy? (ANE/SEA)

If population funding cannot be used to support the activity, will WIN still go forward? Does WIN really relate tightly to the population SO? (ANE/JRA)

Option: In the NAD, a specific level of governance is to be targeted by NGO "constituency-building" under WIN-- participation by women in local government. Democracy issues are involved and

impacts anticipated. Even if not a "democracy T.O.", given planned levels of investment and a second phase looking at GOI involvement, the strategy should either raise this initiative to a cross-sectoral T.O., or discuss it as an important "cross-cutting theme" within its discussion of democracy. (ANE/SEA)

A great constraint to expanding access, quality, and use of family planning in India is the availability of temporary methods such as the NORPLANT® implant and injectable contraceptives. One reason these methods are not available is the opposition of feminist health advocates who resist the introduction of these methods in India without testing on Indian women. (Global)

Option: The Mission should address this serious policy and program issue in the design of the two projects.

Comment: G/PHN fully supports the development of the two new activities and is committed to providing resources for them.

Economic Growth

18. Program vs Resource Levels. Once we have achieved clarity on what the economic growth portfolio is (and will be), how does this program relate to resource levels for economic growth. Can we afford it? What will we cut if funds are (again) severely decreased in this area? What is the G Bureau's support for economic growth? (ANE/SEA)

Health/Population

19. Unrealistic Title II Hopes -- The paper calls "adequate levels of Title II" a basic assumption for "long-term impact" within SO 2, and indeed it provides three-quarters of the funding. But the Mission is showing \$97m in Title II each year, although the optimistic CP level is only \$86m, and Title II is programmed now to decrease worldwide by 2-3% a year. (BHR/FFP's FY 96 Title II levels for India indicate \$16.1m for CRS and \$86.2m for CARE, for a total of \$102.3.)

Does this affect the viability of the strategy? (ANE/SEA)
If and when Title II is cut, how will priorities be determined?
Where would the cuts be made? (ANE/ORA)

20. Sufficient Global Resources. Will there be sufficient Global and ANE resources to meet the Mission needs for the current project and the two proposed projects? What will be the impact of limited O.E. resources on monitoring and accountability

for the current IFPS project and the proposed new starts?
(ANE/SEA and Global)

21. EXPAND NAD. Why start a new project to replicate IFPS in another province? Wouldn't an amendment do? Isn't the proposed project including the risk of IFPS (i.e. working with government captured PVOs) along with the inherent problem of working with the Japanese? (PPC)

The EXPAND activity emphasizes reproductive health rather than family planning. The NAD logframe does not directly relate to SO 2, Reduced fertility in northern India. Moreover, the EXPAND project, while claiming to be a clone of IFPS, seems to take a different approach emphasizing health over fertility. Overall, though with the benefits from IFPS yet to be demonstrated, does it make sense to expand so soon to another state? (ANE/ORA)

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Option: The Mission should address this serious policy and program issue in the design of the project. (Global)

Comment: G/PHN fully supports the development of this new activity.

Environment

22. Use of US-AEP. Would it not make more sense to take the funding being spent on consultants in the mission and use it to link US-AEP to development institutions in India? (ANE/SEA)
What is the intersection between USAEP and the bilateral program? (Desk)

23. Design of the Environmental Protection Initiative (386-0538)
While the NAD notes the contributions of G Bureau projects to the USAID/India environment program in general and the EPI in particular, the detailed discussion of EPI design calls for "a joint USAID/India-USAEP venture". (Global)

Option: That the G Bureau (both G/ENV and the Environmental Health Project in G/PHN) be included as joint venture partners in this design. (Global)

Concerns and Clarifications

24. Mainstreaming Women's Empowerment. Instead of mainstreaming gender throughout India's CPS, a women-specific activity, the Women's Initiative Project (WIN) is introduced to assumed to achieve major results for women: women's empowerment through literacy and education, income generation, environmental health and leadership training. (ANE/SEA)

Option: Mission may try to incorporate gender concerns in SO1 and SO3, since women are key to achieving economic and environmental goals of India. (ANE/SEA)

25. Human Capital Development. Despite major human capital deficiencies, India's CPS emphasis on human capacity building and human capital development is inadequate. (ANE/SEA)

Option: Highlight efforts in the areas of human capacity building through education and training, health, and leadership training at the individual and organizational (NGO) levels. (ANE/SEA)

26. Linkages between SOs. Given the extent of poverty in Uttar Pradesh and USAID's large investment in the population sector, what kinds of benefits will accrue to U.P. as a result of the Mission's economic growth strategy? Is the Missions maximizing linkages between the economic growth strategy and the Mission's strategic objective to reduce fertility in northern India? (Global)

27. Environmental SOs and POs.

a. The scope of SO#3: There is a proposal from ANE/SEA to more narrowly focus SO3 and place biodiversity outside of the SO as a target of opportunity. While this may make conceptual sense, it runs counter to the reengineering precept of obligating funds by strategic objective. Biodiversity is an important element of USAID/India's environment program for both global and national/local reasons. It is expected that the Asia biodiversity priority setting exercise that gets underway later this spring will identify India as one of the Agency's biodiversity priority countries. As such, biodiversity should either be kept in SO#3 or become SO#4 rather than be treated as a target of opportunity. (Global)

b. PO#3.1: The suggestion that this PO focus on energy efficiency rather than energy productivity is well taken. (Global)

c. PO#3.2: The suggestion to narrow the focus of this PO to demonstrating clean technologies and innovative financing

mechanisms (rather than improving air and water quality) deserves discussion with the Mission. If the Mission is confident that they can show improvements in air and water quality at selected industrial sites and municipalities, they should be encouraged to keep the PO at this more concrete, people-level-impact level. (Global)

28. Environmental Indicators.

a. SO#1: G/ENV suggests that the performance indicators for the housing finance and environmental infrastructure program activities in SO#1 be reviewed to see if more people-level impact can be included. To what extent are poor families benefitting from these programs? In the case of environmental infrastructure, an indicator could be percentage increase in service coverage to poor neighborhoods in targeted cities. (Global)

b. SO#3, PO#3.3: Additional performance indicators may be warranted here. USAID/India may wish to propose their biodiversity program as a case study at the upcoming Agency-wide workshop on environmental indicators. (Global)

29. Indo-US Common Agenda for the Environment (CAE). Neither Sections I.4. nor II.3 of the Action Plan mention the CAE. (Global)

30. Asia Sustainable Energy Initiative. This new initiative is moving into a detailed design phase and should be reflected in next year's Action Plan. G/ENV looks forward to working with USAID/India and USAEP on the Initiative. (Global)

31. U.S. Government Coordination. In countries such as India where many USG Departments/Agencies either have or are developing programs in areas closely related to USAID programs (e.g. DOE, USEPA, Department of Commerce, USDA, Peace Corps etc), it is suggested that the narrative in Section II of the Action Plan include a section on USG Coordination (in addition to the section of Donor Coordination that focuses on the World Bank, ADB and the other bilaterals). (Global)

32. Research. How has USAID supported research been instrumental to the success of Agency efforts in India and what is the role of research in the proposed program? (PPC)

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